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World Production and Trade

United States Department of Agriculture
Foreign Agricultural Service
Washington, D.C. 20250

Weekly Roundup
WR 36-86
Sept. 19, 1986

OFFICIAL

The Foreign Agricultural Service of the U.S. Department of Agriculture today reported the following developments in world agriculture and trade.

GRAIN AND FEED

CANADIAN Grain Handlers Strike at Thunder Bay. Canadian grain handlers have walked off the job over a salary dispute at Thunder Bay, a major Canadian grain loading facility. Since a significant quantity of grain is currently in the terminal and the unions that load ships have remained on the job, a short strike should have only a minimal effect on grain exports. However, since the strike comes during the critical fall shipping period, a long walkout could substantially disrupt Canadian grain shipments. The last strike by grain handlers occurred in 1981 and lasted 16 days.

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Export Enhancement Bids Accepted for YUGOSLAVIA, TUNISIA and SRI LANKA. During the week of September 2-5, the Commodity Credit Corporation (CCC) accepted bids for 10,000 tons of wheat to Yugoslavia, 25,000 tons of wheat to Tunisia and 25,000 tons of wheat to Sri Lanka.

OILSEEDS AND PRODUCTS

SPAIN'S Soybean Imports Increase. Spain's imports of soybeans in the first eight months of the 1985/86 marketing year rose 24 percent over the previous year. Imports from the United States were 42 percent above the previous year. Soybean meal imports and exports were both down, reflecting discontinuation of the practice of reexporting Latin American, mainly Brazilian, meal. Spanish exports of soybean oil were up 19 percent, mainly as a result of increased sales to China, India and Iran.

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BANGLADESH Increases Vegetable Oil Duties. Bangladesh has raised its import duties on edible palm oil and refined soybean oil and adjusted the tariff values (basis on which import duties and sales tax are computed). Imports are still subject to a 20 percent sales tax. Crude, degummed soybean oil will, however, continue to enjoy total exemption from duty and sales tax. These actions resulted in a net increase in import charges of 28 percent for palm oil and 82 percent for refined soybean oil. The changes were made to provide support to the local vegetable oil refining and vegetable ghee industry, and to reduce the incentive to import palm stearin illegally as palm olein and use it to adulterate vegetable oils. With these changes, the prospects for crude, degummed soybean oil imports have improved, while imports of refined soybean oil will not be able to compete with locally refined oil or with imports of palm oil. U.S. exports of soybean oil to Bangladesh have been limited to the P.L. 480 program.

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PAKISTAN Increases Tariff on Edible Oil. Pakistan recently raised its tariff on imported edible oil by 12 percent, apparently in response to the decline in international edible oil prices. An additional tariff was imposed on palm oil and palm stearin due to concern over palm stearin being packaged and sold as vegetable ghee. Although ghee manufacturers can receive partial refund of the additional duty, there is now some incentive to use more domestic cottonseed oil or imported soybean oil.

DAIRY, LIVESTOCK AND POULTRY

NEW ZEALAND Considers New Dairy Programs. New Zealand has offered its dairy farmers three voluntary schemes to reduce 1986/87 milk output, but so far, support has been weak and a compulsory scheme may be necessary to curb excess milk production. If support for a voluntary scheme does not improve, a two-tier price system may be introduced; this would mean payment of a low price for marginal or excess production. New Zealand's dairy farmers rely on export markets to market 80 percent of their dairy products. The recent drop in farmers' base price for milkfat from $4.00 per kilogram to $2.25 reflects New Zealand's difficulties in moving excess butter supplies on a depressed world market.

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Livestock Estimates Rescheduled. World livestock numbers and red meat production estimates originally scheduled for today will be published September 17.

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FRUITS

TAIWAN to Lift Import Ban for U.S. Fresh Pears. Effective September 15, Taiwan will lift its import ban against U.S. fresh pears, opening up a new marketing opportunity for U.S. exporters. The import tariff will be 67.5 percent of the c.i.f. value. Imports must have a phytosanitary document certifying that the pears are free of Mexican fruit fly, plum circulio, apple maggot and codling moth.

HONEY

Honey Production Up Slightly in Selected Countries. Production of honey in 1986 in selected countries is forecast at 620,000 tons, 1 percent more than the revised 611,000 tons harvested in 1985. Production in North America is expected to increase 13 percent from 1985. Unfavorable weather conditions in Mexico's main producing area are expected to reduce production to 47,000 tons, 5,000 below last year's production. Canadian honey production for 1986 is forecast at 37,800 tons, 7 percent more than the previous year, due mainly to favorable weather and improved field crops in the western provinces. Honey production in Argentina for the 1986 season is forecast to drop sharply to 25,000 tons, 20,000 tons less than last year, as persistent rains in November reduced the supply of nectar and pollen in flowers.

The USSR, the world's largest honey producer, is expected to harvest 190,000 tons in 1986, the same amount as last year. A dry summer reduced flowering and thus nectar availability. Also, there was a marginal decline in the number of bee colonies, according to the U.S. agricultural attache in Moscow. Production in the Soviet Union for 1986 thus is not expected to exceed the levels of 1984 and 1985 when production was off due to harsh winter conditions. In West Germany, 1986 honey production is forecast at 18,000 tons, 7,000 tons more than last year's poor crop. Japanese output for 1986 is placed at 5,000 tons, 31 percent less than a year ago, because of a continued decline in the number of colonies, a shrinking floral source and labor shortages. Australia is expecting production to reach 27,300 tons, 9 percent more than in 1985.

CREDIT NOTES

P.L. 480 Actions Announced for TUNISIA and BANGLADESH. On September 4, the fiscal year 1986 P.L. 480, Title I agreement with Tunisia was amended to provide an additional $10.0 million worth of U.S. agricultural commodities. Also on September 4, $12 million was added to Bangladesh's wheat purchase authorization.

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GSM-103 Actions Announced for MEXICO and CHILE. Up to $200 million in credit guarantees have been authorized so Mexico can purchase U.S. feed grains and oilseeds under CCC's Intermediate Credit Guarantee Program (GSM-103). The $200 million in coverage is designated as $100 million for feed grains and $100 million for oilseeds. Chile received $3.0 million in guarantees for the purchase of U.S. breeding livestock.

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Section 416 Actions Announced for SRI LANKA and MEXICO. During the week ending September 5, Sri Lanka signed an agreement under the Section 416 food aid program for 750 metric tons of non-fat dry milk. Mexico signed an amendment for 4,009 metric tons of rice and 1,023 metric tons of cornmeal.

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EXPORT ENHANCEMENT INITIATIVES

The status of USDA's Export Enhancement Program as of Sept. 9, 1936, was as follows in metric tons:

ANNOUNCED INITIATIVES	DATE ANNOUNCED	QUANTITY/RESULTS
45. Venezuela Barley Malt	Sept. 4, '86	100,000
44. Cyprus Barley	Aug. 26, '86	150,000
43. Canary Islands Wheat	Aug. 8, '86	100,000
42. Eygpt Semolina	Aug. 6, '86	30,000
41. USSR Wheat	Aug. 1, '86	4 million
40. Canary Is. Dairy Cattle	July 28, '86	3,000 head
39. Hong Kong Table Eggs	July 28, '86	44 million
38. Senegal Wheat	July 17, '86	100,000
37. India Vegetable Oil	July 8, '86	25,000
36. Jordan Barley	June 17, '86	60,000
35. Israel Barley	June 17, '86	200,000 Sold 5,200
34. Tunisia Dairy Cattle	May 29, '86	4,000 head
33. Algeria Dairy Cattle	May 29, '86	5,000 head
32. Sri Lanka Wheat	May 16, '86	125,000 Sold 75,000
31. Saudia Arabia Barley	May 7, '86	500,000 COMPLETE
	Aug. 6, '86	250,000 COMPLETE
30. Algeria Barley	Apr 17, '86	500,000
29. Morocco Dairy Cattle	Apr 16, '86	4,000 head Sold 150
28. Turkey Dairy Cattle	Apr 16, '86	5,000 head
27. Egypt Dairy Cattle	Apr 16, '86	6,000 head
26. Yemen Poultry Feed	Apr 14, '86	150,000
25. Yugoslavia Wheat	Apr 10, '86	200,000 COMPLETE
	June 24, '86	200,000 Sold 130,000
24. Indonesia Dairy Cattle	Apr 9, '86	7,500 head
23. Syria Wheat	Apr 8, '86	700,000
22. Benin Wheat	Apr 7, '86	45,000 Sold 20,000
21. Algeria Table Eggs	Apr 4, '86	500 million
20. Iraq Dairy Cattle	Apr 4, '86	6,500 head
19. Jordan Wheat	Mar 19, '86	75,000 COMPLETE
	June 24, '86	75,000 COMPLETE
18. Tunisia Wheat	Mar 18, '86	300,000 COMPLETE
	Aug. 22, '86	800,000
17. Algeria Wheat Flour	Feb 25, '86	100,000
16. Algeria Semolina	Feb 11, '86	250,000
15. Philippines Wheat	Jan 7, '86	150,000 COMPLETE (152,400)
14. Zaire Wheat	Dec 27, '85	40,000 COMPLETE
	May 15, '86	40,000 COMPLETE
13. Nigeria Barley Malt	Dec 10, '85	100,000 Sold 4,400
12. Iraq Wheat Flour	Dec 9, '85	150,000 Sold 75,000
11. Egypt Poultry	Nov 26, '85	8,000 COMPLETE
	Mar 21, '86	15,000 COMPLETE
	June 18, '86	5,000 COMPLETE
	July 8, '86	15,000 Sold 7,500

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10.	Zaire Wheat Flour	Nov 18, '85	64,000	COMPLETE
		May 15, '86	30,000	
9.	Philippines Wheat Flour	Nov 15, '85	100,000	Sold 50,000
8.	Jordan Rice	Nov 8, '85	40,000	Sold 22,700
7.	Turkey Wheat	Oct 16, '85	500,000	COMPLETE (506,600)
		May 8, '86	500,000	
6.	Morocco Wheat	Sept 30, '85	1,500,000	Sold 890,000
5.	Yemen Wheat	Sept 6, '85	100,000	Sold 50,000
4.	Yemen Wheat Flour	Aug 20, '85	50,000	COMPLETE
		Apr 14, '86	100,000	Sold 13,000 LT
3.	Egypt Wheat	Jul 26, '85	500,000	COMPLETE
		Oct 30, '85	500,000	COMPLETE (512,500)
		June 20, '86	500,000	COMPLETE
		July 29, '86	52,000	Sold 29,000
2.	Egypt Wheat Flour	July 2, '85	600,000	COMPLETE
		Aug. 6, '86	600,000	
1.	Algeria Wheat	Jun 4, '85	1,000,000	COMPLETE
		Apr 10, '86	1,000,000	

EXPORT ENHANCEMENT PROGRAM SUMMARY

Announced to Date	18,063,780 (grain equivalent) 544 million table eggs 43,000 tons frozen poultry 41,000 head dairy cattle 25,000 tons vegetable oil
Sold to Date	5,095,500 wheat 1,188,483 flour (grain equivalent) 755,200 barley 35,500 frozen poultry 22,700 rice 5,980 barley malt (grain equivalent) 150 head dairy cattle
Bonus	2,500,600 tons at a book value of $354.8 million

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TARGETED EXPORT PROMOTION PROGRAM

The status of USDA's Targeted Export Promotion Program as of Sept. 9, 1986, was as follows:

DATE ANNOUNCED	COMMODITY	VALUE	COUNTRY
Sept. 8, 1986	Fresh pears	$0.3	Scandinavia, Arabian Gulf, Pacific Rim
Sept. 2, 1986	Wheat	$2 million over 3 years	Egypt, Algeria
Aug. 12, 1986	Canned Peaches, Fruit Cocktail	$5.1 million	Pacific Rim & Middle East
Aug. 8, 1986	Feed Grains	$2.1 million	To be announced
July 28, 1986	Dry Peas & Lentils	$2.5 million	EC, Colombia, India
July 25, 1986	Table Grapes	$0.35 million	Japan
July 18, 1986	Washington State Apples	$1.4 million	United Kingdom, Taiwan, Malaysia, Hong Kong, Norway, Middle East
July 17, 1986	Wood Products	$0.65 million 1/	United Kingdom
July 16, 1986	Wheat	$1.1 million	Developing countries
July 14, 1986	Poultry & Eggs	$6 million	Pacific Rim, Middle East countries
June 24, 1986	Feed Grains, Soybean Meal & Dairy Cattle	$9 million over 3 years	Algeria
June 23, 1986	Fresh & Processed Florida Citrus	$4.6 million	Western Europe & Pacific Rim
May 20, 1986	Dried Prunes	$4 million	Western Europe
April 30, 1986	Wood	$1.95 million (over 3 years)	Japan
April 28, 1986	Wine	$2.3 million	Japan, United Kingdom, Hong Kong, Singapore
April 25, 1986	Almonds	$0.9 million	Western Europe, Japan, Korea
April 17, 1986	Canned Peaches, Fruit Cocktail	$2.5 million	Japan, Taiwan
April 16, 1986	Walnuts	$9 million 2/	Western Europe, Japan, Australia
April 16, 1986	Raisins	$6.3 million	Western Europe, Pacific Rim, Middle East
April 14, 1986	California & Arizona fresh & processed citrus	$8.5 million	Western Europe, Pacific Rim
March 27, 1986	Frozen Potatoes	$2 million	Japan, Hong Kong Taiwan, Malaysia Singapore
	Total:	$72.55 million	

1/ Part of April 30, 1986, wood TEA amount. Not included in total.
2/ Includes additional $2 million announced Aug. 1, 1986.

*U.S. GOVERNMENT PRINTING OFFICE:1986-490-917:40043/FAS

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Selected International Prices

Item	September 9, 1986	Change from a week ago	A year ago
ROTTERDAM PRICES 1/	$ per MT	$ per bu.	$ per MT	$ per MT
Wheat:				
Canadian No. 1 CWRS-13.5%.	N.Q.	—	—	160.50
U.S. No. 2 DNS/NS: 14%....	126.00	3.46	+3.00	155.50
U.S. No. 2 S.R.W.	124.75	3.40	+2.25	127.50
U.S. No. 3 H.A.D.....	131.25	3.57	+6.25	165.00
Canadian No. 1 A: Durum...	N.Q.	—	--	N.Q.
Feed grains:				
U.S. No. 3 Yellow Corn....	84.50	2.15	+1.50	116.00
Soybeans and meal:				
U.S. No. 2 Yellow.....	N.Q.	—	—	205.90
Brazil 47/48% Soya Pellets	211.00	—	+3.00	164.00
U.S. 44% Soybean Meal.....	198.00	—	-0-	157.50
U.S. FARM PRICES 3/				
Wheat.....	81.93	2.23	+2.20	108.38
Barley.....	50.98	1.11	-0-	60.17
Corn.....	57.48	1.46	-1.18	93.31
Sorghum.....	60.85	2.76	+0.66	70.33
Broilers.....	1,397.94	--	+81.57	1,207.02
EC IMPORT LEVIES				
Wheat 5/.....	169.95	4.63	-5.45	81.40
Barley.....	170.85	3.72	-4.20	80.70
Corn.....	180.35	4.58	-1.80	64.15
Sorghum.....	186.20	4.73	-2.85	88.60
Broilers 4/ 6/ 8/.....	360.00	—	-5.40	170.00
EC INTERVENTION PRICES 7/ 9/				
Common wheat(feed quality)	178.80	4.87	-2.70	137.20
Bread wheat (min. quality)	187.90	5.11	-2.90	146.65
Maize.....	187.90	4.77	-2.90	137.20
Barley and all other feed grains, excluding maize.	178.80	—	-2.70	137.20
Broilers 4/ 6/.....	1556.40	—	+26.40	1175.00
EC EXPORT RESTITUTIONS (subsidies)				
Wheat	N.A.	—	—	N.A.
Barley.....	N.A.	--	—	N.A.
Broilers 4/ 6/ 8/.....	265.00	—	-4.00	98.00

1/ Asking prices in U.S. dollars for imported grain and soybeans, c.i.f., Rotterdam. 2/ Hundredweight (CWT). 3/ Five-day moving average. 4/ EC category--70 percent whole chicken. 5/ Reflects lower EC export subsidy--down to 20.00 ECU/100 kg effective 9/14/83 from 22.50 ECU/100 kg set in 2/83. 6/ F.o.b. price for R.T.C. broilers at West German border. 7/ Reference price. 8/ Reflects change in level set by EC. 9/ Changes may be due partly to exchange rate fluctuations and/or ECU payments. N.A.-None authorized. N.Q.-Not quoted. Note: Basis September delivery.

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